

OCTOBER 2001 TAX FACTS

SUMMARY OF GENERAL FUND REVENUES

	<u>October 2001</u>	Fiscal Year <u>Total</u>
Individual Income Tax		
Net Collections	\$162,242,958	\$666,060,349
Percent Change	0.0%	(1.8%)
Corporate Income Tax		
Net Collections	\$29,203,447	\$168,684,072
Percent Change	(2.0%)	(19.1%)
Transaction Privilege, Severance & Use Taxes		
Net Collections	\$239,649,072	\$979,993,261
Change	(2.8%)	(0.5%)
Total Big Three Tax Types		
Net Collections	\$431,095,477	\$1,814,737,682
Percent Change	(1.6%)	(3.1%)

TAX FACTS

October 2001

INDIVIDUAL INCOME TAX

Individual Income Tax Receipts

	October 2001	October 2000	% Change
Gross Collections	\$23,121,376	\$20,630,470	12.1
Withholding	202,066,912	191,524,441	5.5
Refunds	(27,788,950)	(16,798,002)	65.4
Urban Revenue Sharing	(35,156,381)	(33,037,720)	6.4
Net Collections	\$162,242,958	\$162,319,189	0.0
	Fiscal Year Total (01/02)	Fiscal Year Total (00/01)	% Change
Gross Collections	\$123,640,487	\$126,400,256	(2.2)
Withholding	761,767,798	744,803,865	2.3
Refunds	(78,722,412)	(60,612,154)	29.9
Urban Revenue Sharing	(140,625,524)	(132,150,880)	6.4
Net Collections	\$666,060,349	\$678,441,088	(1.8)

Included in the refund amounts above are refunds relating to the alternative fuel vehicle income tax credit. In October \$4,930,449 in alternative fuel vehicle credits were processed. After offsetting \$1,228,979 in tax liability, refunds for this credit totaled \$3,701,470. This amount does not include withholding and estimated payments returned to taxpayers because their liability was covered by the alternative fuel vehicle credit. Additional refunds were paid out of corporate income tax.

Individual Income Tax Document Count

In calendar year 2000, the following individual income tax returns were filed:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	OTHER	TOTAL
#	38,571	1,334,940	74,284	107,508	57	41,476	332,144	15,867	185,561	1	2,130,409
%	1.8	62.7	3.5	5.0	0.0	1.9	15.6	0.7	8.7	0.0	

In calendar year 2001 the number of returns filed, and processed, are as follows:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	OTHER	TOTAL
#	39,303	1,399,479	72,548	108,349	10	46,014	313,245	14,833	181,172	0	2,174,953
%	1.8	64.3	3.3	5.0	0.0	2.1	14.4	0.7	8.3	0	

The 2,174,953 returns filed through October 2001 compares to 2,098,028 returns filed during the same period of time in 2000 for an annual increase of 3.7%. This count represents multiple tax years. For tax year 2000 filed in 2001, 2,095,602 returns have been filed, this represents a 4.0% increase from 1999 returns filed in 2000 during the same period of time.

Year-Over-Year Comparison of Resident Taxpayers

Comparisons of Federal Adjusted Gross Income (FAGI) and tax liability growth between two tax years can be made from taxpayers who have filed for both calendar years to be compared and who have indicated the same marital status on the tax returns for both years. The Department of Revenue has received 1,452,460 returns in calendar year 2001 for tax year 2000 from filers who also have returns on record from calendar year 1999 with the same marital status. On average, these filers experienced a 6.4% growth in FAGI and an 7.0% increase in tax liability. More specifically, 32.9% of these filers experienced a decrease in tax liability; on average a decrease of 43.8% with a corresponding

average decrease in FAGI of 24.6%. Filers showing an increase in tax liability totaled 825,934 or 56.9%, with an average FAGI increase of 31.9% and an average tax liability increase of 60.1%.

Average Individual Income Tax Refund

Beginning with calendar year 2001 taxpayers that opt to file their returns electronically were given the option to direct deposit their refund. The figures shown below for calendar year 2001 include direct deposits.

	Average	Number
2001 CYTD	\$645.46	1,346,401
2000 CYTD	\$551.81	1,323,762
% Change	17.0%	1.7%

"New" Filers in Calendar Year 2001

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 2001. "New" returns are for those filers who did not file in the previous calendar year. Therefore, these filers could be new full-year residents of Arizona, or they may be newly required to file an individual income tax return. (The filer may not have earned enough income in the previous year to file, such as a recent graduate just entering the work force.) The table indicates that 238,541 "new" returns have been filed thus far in 2001, representing approximately 285,845 persons, not including dependents. The average Federal Adjusted Gross Income for these 238,541 returns is \$19,651, with an average tax liability of \$348. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 18.8% had a married filing joint filing status, 7.5% claimed a 65 And Over Exemption and 31.4% claimed dependents.

Individual Income Tax Estimated Payments

Beginning in 1990, individuals are required to make estimated payments to Arizona if their Arizona gross income will exceed \$75,000, in an amount which will represent unpaid tax liability at the end of the taxpayer's tax year. The total estimated payments on the 140ES for tax year 1999 was \$344.6 million, for an average of \$1,684. A total additional \$57.2 million in estimated payments was received as refunds on the 1998 tax returns applied to 1999 estimates, for an average of \$1,712. Estimated payments received through October for tax year 2001 were as follows:

10/01	140ES payment	\$30,032,370	Cumulative	\$204,969,510
10/00	140ES payment	\$58,280,727	Cumulative	\$205,082,272
	Percent change	(48.5%)		(0.1%)
10/01	Average payment	\$1,861	Cumulative	\$1,244
10/00	Average payment	\$1,700	Cumulative	\$1,266
	Percent change	9.5%		(1.7%)
10/01	Applied refund	\$13,064,197	Cumulative	\$51,770,485
10/00	Applied refund	\$11,019,285	Cumulative	\$47,534,256
	Percent change	18.6%		8.9%
Total 10/01		\$43,096,567	Cumulative	\$256,739,995
Total 10/00		\$69,300,013	Cumulative	\$252,616,527
	Percent change	(37.8%)		1.6%

Withholding

Withholding payments are received from employers and applied towards a specific quarter for the designated year. Information is gathered for 15 months for any given quarter. For example, from January 2000 through March 2001, \$544,546,230 was received for the first quarter of 2000. The latest complete quarter (15 months of information has been compiled) is the third quarter of 2000, which shows a growth rate of 6.7% in withholding payments over the third quarter of 1999. Growth in quarters for which information is still being gathered is as follows:

4 th Quarter 2000	5.6%	3 rd Quarter 2001	4.9%
1 st Quarter 2001	3.6%	4 th Quarter 2001	1.4%
2 nd Quarter 2001	3.6%		

The comparisons made above were against the same number of months of collections in the previous year. In other words, the fourth month of information available for the fourth quarter of 2001 was compared against the third month of collections for the third quarter of 2000. Current choices for withholding are 0%, 10%, 17%, 20%, 22%, 28% or 32% as the percent of federal taxes to be withheld for state taxes. The 0% option is only available to those individuals who had no liability in the prior tax year and expect no tax liability for the current year.

Property Tax Credits

Arizona allows a refundable property tax credit if you are age 65 or older or if you received Title 16, SSI payments. Additionally, your household income must be below \$3,751 if you live alone, or \$5,501 if you live with another person, to qualify for this credit. The maximum credit is \$502.

	Number	Amount	Average
Calendar Year 2001	14,556	\$4,641,653	\$318.88
Calendar Year 2000	15,788	\$4,959,818	\$314.15
% Change	(7.8%)	(6.4%)	1.5%

Clean Elections

As a result of the November 1998 voter approval of the Citizens Clean Elections, Arizona's income taxpayers can make a donation to the Citizens Clean Elections Commission through an income tax check-off or through a voluntary donation. Since the voter approval was not validated by the Federal Elections Commission until mid 1999, the 1998 tax forms did not carry these options. For tax year 1999, filed in 2000 and later, these options are available.

	October 2001	Year to Date
Check Off	\$23,505	\$2,302,928
Voluntary Donation	\$3,411	\$46,922
Number of Returns	2,963	312,932

Contributions on the Individual Income Tax Return

Through October 2001, individual income tax return filers have made the following contributions:

	Number	Amount	Average
Wildlife	10,607	\$168,456	\$14.88
Child Abuse	12,254	\$196,402	\$15.03
Special Olympics	5,690	\$80,742	\$13.19
Neighbors Helping	3,308	\$38,455	\$10.62
AID to Education	462	\$23,822	\$50.56
Domestic Violence Shelter	8,761	\$138,329	\$14.79
Democratic Party	687	\$13,819	\$19.11
Republican Party	520	\$14,670	\$27.21
Libertarian Party	98	\$2,091	\$20.34
Reform Party	3	\$35	\$10.67
Green Party	184	\$2,488	\$12.52
Natural Law	8	\$151	\$17.88

CORPORATE INCOME TAX

Corporate Income Tax Receipts

	October 2001	October 2000	% Change
Gross Collections	\$33,020,277	\$36,621,810	(9.8%)
Refunds	(\$3,816,830)	(\$6,807,852)	(43.9%)
Net Collections	\$29,203,447	\$29,813,958	(2.0%)

	Fiscal Year Total (01/02)	Fiscal Year Total (00/01)	% Change
Gross Collections	\$196,200,797	\$235,157,926	(16.6%)
Refunds	(\$27,516,724)	(\$26,732,162)	2.9%
Net Collections	\$168,684,072	\$208,425,764	(19.1%)

Included in the refund amounts shown above are refunds for the alternative fuel vehicle credit program. In October, \$0.3 million in corporate alternative fuel vehicle refunds was paid out; for the fiscal year, the total is \$2.3 million.

Corporate Estimated Payments

Corporations are required to file estimated tax payments throughout the year only if (1) their Arizona tax liability exceeds \$1,000 and (2) they are required to file federal estimated tax payments.

October 2001	\$20,865,883	Calendar Year Total	\$359,725,876
October 2000	\$25,065,167	Calendar Year Total	\$430,220,184
% Change	(16.8%)	% Change	(16.4%)

All corporations with an income tax liability of \$20,000 or greater are required to make their estimated tax payments through electronic funds transfer (eft). The table below shows the number of these eft estimated payments, by size of payment, for October 2001 and for the fiscal year.

Size of Payment ➔	Less than \$50,000	\$50,000 up to \$100,000	\$100,000 up to \$500,000	\$500,000 up to \$1,000,000	\$1,000,000 up to \$10,000,000	\$10,000,000 and more	Total	% chg
October 2001	182	11	9	4	5	0	211	(8.7)
October 2000	180	17	24	3	7	0	231	
CY 2001	2,412	266	311	59	42	2	3,092	(8.2)
CY 2000	2,532	350	365	58	64	1	3,370	

Corporate Refunds

Corporate refunds paid in any state fiscal year are for a mixture of corporate fiscal years. The table below presents the percent of refunds paid in FY 00/01 by corporate fiscal year. For example, in FY 00/01, 9.7% of the refund dollars paid were for corporate fiscal years ending in 1996 or before. The percentages are for refunds paid through the fiscal year.

Corporate Fiscal Year-End:	96 & Prior	97	98	99	00	01
FY 00/01	12.5%	5.9%	3.0%	65.0%	13.4%	0.1%
Corporate Fiscal Year-End:	97 & Prior	96	99	00	01	02
FY 01/02	21.0%	6.9%	7.7%	59.8%	4.6%	0.0%

The corporate refunds shown above are those refunds for which a check is mailed to the corporation. Sometimes corporations choose to apply their refund as an estimated payment. The following table present information on refunds applied as estimated payments in the most recent month and for the calendar year.

October 2001	\$14,257,568	Calendar Year Total	\$54,604,851
October 2000	\$30,695,901	Calendar Year Total	\$72,299,857
% Change	(53.6%)	% Change	(24.5%)

Corporate Income Tax Document Count

The Arizona Department of Revenue received 98,543 corporate returns showing a fiscal year-end of 1999. The type of return received is indicated below:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	352	45,142	46,163	342	6,544
%	0.4	54.6	44.6	0.3	6.6

Through October 2001, 96,176 documents have been received for a fiscal year-end of 2000, distributed as follows:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	244	37,869	47,887	287	9,889
%	0.3	39.4	49.8	0.3	10.3

Urban Revenue Sharing Returned to Cities/Towns

Incorporated cities and towns receive a share of net individual and corporate income tax collections, called Urban Revenue Sharing. The amount of money to be distributed is 15.0% of net income tax collections two years earlier. For example, the money being distributed in Fiscal Year 2001/02 is based on net income tax collections in Fiscal Year 1999/2000. Amounts returned for October 2001 are shown on Table 2, at the end of this report.

TRANSACTION PRIVILEGE, SEVERANCE AND USE TAXES

Transaction Privilege, Severance and Use Tax Receipts

The Arizona transaction privilege and severance tax consists of many categories of tax. These categories include retail, contracting, amusements, restaurants and bars, hotel/motel and mining severance tax. The collections for all such categories are divided, per statute, into two parts. One part is called distribution base; the other part is known as non shared. The division of collections into these two parts varies from category to category. For example, retail sales tax is 40% distribution base and 60% non shared. In contrast, contracting is 20% distribution base and 80% non shared. Use tax is 100% non shared.

At the close of each month, the computer aggregates transaction privilege and severance tax collections by category and calculates total distribution base and non shared portions. The amount shown as "Use Tax" in the table below includes use tax, use inventory tax and jet fuel use tax. The "Education Tax" below represents a new category beginning with June 2001 collections. This category is in accordance with prop 301 resulting in an additional 0.6% education tax being added to most business classifications. The "Other Revenue" category includes county excise, road, jail and hospital taxes and various other excise taxes, such as the 911 excise tax.

	October 2001	October 2000	% change
Distribution Base	\$97,585,683	\$101,547,200	(3.9)
Non shared	191,514,857	195,074,301	(1.8)
Use Tax	14,476,912	16,573,148	(12.6)
Education Tax	35,297,960	0	N/A
Other Revenues	40,447,944	38,944,375	3.9
Total Collections	\$379,323,357	\$352,139,025	7.7

	Fiscal Year Total (01/02)	Fiscal Year Total (00/01)	% change
Distribution Base	\$400,428,284	\$403,726,489	(0.8)
Non shared	782,887,422	778,959,177	0.5
Use Tax	59,032,797	67,687,287	(12.8)
Education Tax	142,698,401	0	N/A
Other Revenues	164,985,163	154,074,008	7.1
Total Collections	\$1,550,032,068	\$1,404,446,960	10.4

Distribution of Transaction Privilege, Severance and Use Tax Receipts

Of the distribution base portion of transaction privilege and severance taxes, described above, 25% is returned to incorporated cities/towns, 40.51% is returned to counties and 34.49% goes to the state general fund with the exception of mining severance tax. All of the non shared revenue and use tax is deposited into the general fund. Therefore, the "Retained By State" figure presented below includes all non shared portion of transaction privilege tax, use tax and 34.49% of the distribution base collections. The Education tax is distributed in accordance with prop 301. "Other" revenues are returned to the administering authority.

	October 2001	October 2000	% change
Retained by State	\$239,649,072	\$246,434,561	(2.8)
Returned to Counties	39,531,960	41,283,043	(4.2)
Returned to Cities	24,396,421	25,477,046	(4.2)
Education Tax	35,297,960	0	N/A
Other	40,447,944	38,944,375	3.9
Total Collections	\$379,323,357	\$352,139,025	7.7

	Fiscal Year Total (01/02)	Fiscal Year Total (00/01)	% change
Retained by State	\$979,993,261	\$985,113,415	(0.5)
Returned to Counties	162,234,942	164,030,942	(1.1)
Returned to Cities	100,120,301	101,228,596	(1.1)
Education Tax	142,698,401	0	N/A
Other	164,985,163	154,074,008	7.1
Total Collections	\$1,550,032,068	\$1,404,446,961	10.4

Transaction Privilege and Severance Tax Collections By Class

	Tax Rate	October 2001	% Chg	Fiscal Year Total	% Chg
Transporting/Towing	5.6	\$213,399	(27.7)	\$895,108	(45.8)
Non-Metal Mining/Oil & Gas	3.125%	553,023	(24.1)	2,330,486	(8.2)
Utilities	5.6%	29,978,007	6.4	118,170,364	2.6
Communications	5.6%	12,601,497	6.8	47,494,358	0.3
Railroads/Aircraft	5.6%	132,494	(24.8)	712,343	44.9
Private Car/Pipelines	5.6%	12,060	(73.9)	101,190	(70.2)
Publishing	5.6%	737,948	46.7	2,428,379	12.1
Printing	5.6%	1,400,621	(7.0)	5,961,783	(8.7)
Restaurants/Bars	5.6%	24,369,987	(2.7)	98,575,080	2.0
Amusements	5.6%	2,226,023	5.2	10,717,399	(3.7)
Commercial Lease	0%	64,930	717.7	185,640	(94.9)
Rental of Personal Property	5.6%	14,522,710	(0.6)	58,904,412	(0.4)
Contracting	3.75% - 5.6%	47,792,874	(1.4)	199,937,347	3.0
Feed Wholesale	Repealed	(7,705)	N/A	(7,637)	N/A
Retail	5.6%	148,524,044	(3.9)	611,384,221	(0.1)
Mining Severance	2.5%	47,520	(93.1)	158,589	(93.0)
Timber Severance	\$2.13/\$1.51 per 1000 board ft	1,474	N/A	13,499	N/A
Hotel/Motel	5.5%	5,541,872	(25.9)	23,793,904	(9.5)
Membership Camping	5.6%	3,800	(18.3)	30,460	54.5
Use/Use Inventory	5.6%	14,476,912	(12.6)	58,834,027	(13.0)
Rental Occupancy Tax	3.0%	10,205	3.4	44,343	37.8
Jet Fuel Tax	\$.0305/\$.0105 gal	347,356	(11.7)	1,409,471	(7.4)
Telecommunications Devices:	1.1				
Telecom. Fund for the Deaf	----	527,998	31.2	2,153,750	32.1
Poison Control Fund	----	195,287	31.2	796,593	32.1
911 Wireline/Excise *	\$0.37 monthly per activated service	1,335,162	103.9	4,679,388	76.1
911 Wireless Service *	\$0.37 monthly per activated service	413,115	1628.5	2,016,933	212.0
Agriculture Equipment	0%	14,210	N/A	14,210	N/A
Total		\$306,036,824	(2.7)	\$1,251,735,640	(0.3)

The Use/Use Inventory category shown on the previous page includes jet fuel use tax. These collections include only the individual classes of transaction privilege tax, severance tax and use tax. The total does not include license fees or any other fees collected by the Department.

* Effective July 1, 2001, the 911 taxes have changed. What was formerly called 911 Excise tax at 1.25% is now 911 Wireline at \$0.37 per month for each activated service. Additionally, 911 Wireless Service has also been changed from \$0.10 per month for each activated service to \$0.37.

Transaction Privilege and Severance Tax Taxable Sales By Class¹

	October 2001	% Chg	Fiscal Year Total	% Chg
Transporting/Towing	\$4,267,988	(27.7)	\$17,902,150	(45.8)
Non-Metal Mining/Oil & Gas	17,696,745	(24.1)	74,575,545	(8.2)
Utilities	599,560,146	6.4	2,363,407,281	2.6
Communications	252,029,937	6.8	949,887,156	0.3
Railroads/Aircraft	2,649,870	(24.8)	14,246,865	44.9
Private Car/Pipelines	241,195	(73.9)	2,023,791	(70.2)
Publishing	14,758,962	46.7	48,567,586	12.1
Printing	28,012,424	(7.0)	119,235,654	(8.7)
Restaurants/Bars	487,399,737	(2.7)	1,971,501,597	2.0
Amusements	44,520,464	5.2	214,347,977	(3.7)
Commercial Lease	5,066,270	868.8	15,251,000	(91.0)
Rental of Personal Property	290,454,196	(0.6)	1,178,088,238	(0.4)
Contracting	955,857,508	(1.1)	3,998,746,971	3.1
Feed Wholesale	(1,642,804)	N/A	(1,628,384)	N/A
Retail	2,970,480,888	(3.9)	12,227,684,428	(0.1)
Mining Severance	1,900,817	(93.1)	6,343,574	(93.0)
Timber Severance	893	N/A	767,569	N/A
Hotel/Motel	100,761,309	(25.9)	432,616,445	(9.5)
Membership Camping	76,007	(18.3)	609,209	54.5
Use/Use Inventory	289,453,912	(12.6)	1,175,633,835	(13.1)
Rental Occupancy Tax	340,173	3.4	1,478,109	37.8
Agriculture Equipment	1,421,000	N/A	1,421,000	N/A
Total	\$6,065,307,639	(3.1)	\$24,812,707,596	(1.1)

Telecommunications Devices, 911 Excise and 911 Wireless Service classifications previously listed in the collections table, are not elements of calculated taxable income and therefore, are not included in the above table. The Use/Use Inventory category shown above does not include jet fuel use tax. Since the jet fuel use tax is a gallonage tax, this too can not be computed as taxable income. A comparison can be made of gallons of jet fuel on which Arizona jet fuel tax or jet fuel use tax was paid. In September 2001, 15,401,041 gallons of jet fuel were taxed, a 36.5% increase from the 11,278,754 reported for September 2000. Timber Severance includes only sales subject to a repealed rate. The current tax is per board feet upon which taxable income cannot be computed.

Accounting Credit

Effective to taxable periods beginning from and after July 1, 1995, a credit equal to one percent of the amount of tax due, up to \$10,000 per calendar year, is allowed to businesses for expenses incurred during the accounting and reporting of Transaction Privilege Tax. The amount of accounting credits claimed in October 2001 was \$1,246,396 a 6.1% increase from the \$1,174,395, claimed in October 2000. Accounting credits claimed-to-date in FY 01/02 equals \$5,369,843 a 6.3% increase from the \$5,052,339 a claimed during the same period in FY 00/01.

¹These Taxable Sales figures are calculated on a per return basis, by taking collections and dividing them by the appropriate tax rate. These figures may not match other Taxable Sales figures calculated on the aggregate.

Taxable Sales by SIC Code Range

The taxable sales by SIC (Standard Industrial Classification) Code ranges are an indicator of business occurring for that type of retail sale. Certain limitations must be understood when using this information.

The Department of Revenue assigns a SIC code to a business based on its primary type of business activity. A grocery store would be assigned a SIC code of 5411. A business that deals primarily with dairy products would have a SIC code of 5451. A problem arises with businesses which derive revenue from multiple business activities. For example, a store like Fry's might be considered both a grocery store and a department store; however, all revenue would be reported under only one of the two possible codes. In summary, an accurate description of what this information represents would be: "These figures represent taxable retail sales for those businesses which have a primary SIC code falling within one designated range."

If the taxable sales for these ranges were added together, the total would not equal retail taxable sales. This is again due to the primary SIC code assignment. There are businesses making retail sales which do not have a primary retail SIC code.

<u>SIC Code</u> <u>Range</u>	<u>Description</u>	<u>October 2001</u>	<u>October 2000</u>	<u>% Chg</u>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$172,732,593	\$157,151,769	9.9
5311-5399	general merchandise stores	231,058,622	277,698,930	(16.8)
5411-5499	food stores (no food sales)	240,842,618	244,000,505	(1.3)
5511-5521	motor vehicle dealers	599,058,759	563,959,488	6.2
5531-5599	misc. automotive, motorcycle & boat stores	148,943,579	157,427,410	(5.4)
5611-5699	apparel & accessory stores	164,173,894	168,767,384	(2.7)
5712-5733	furniture, home furnishings & equipment stores	153,617,684	166,993,760	(8.0)
5912-5949	misc. retail stores	186,270,710	196,377,122	(5.1)
TOTAL		\$2,970,480,888	\$3,090,940,793	(3.9)

<u>SIC Code</u> <u>Range</u>	<u>Description</u>	<u>FY 2002</u>	<u>FY 2001</u>	<u>% Chg</u>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$709,775,087	\$648,311,498	9.5
5311-5399	general merchandise stores	1,090,229,262	1,134,376,628	(3.9)
5411-5499	food stores (no food sales)	936,794,462	974,378,789	(3.9)
5511-5521	motor vehicle dealers	2,476,805,164	2,334,199,759	6.1
5531-5599	misc. automotive, motorcycle & boat stores	659,864,904	635,094,190	3.9
5611-5699	apparel & accessory stores	699,790,585	676,336,451	3.5
5712-5733	furniture, home furnishings & equipment stores	623,778,057	662,093,567	(5.8)
5912-5949	misc. retail stores	753,619,670	768,010,016	(1.9)
TOTAL		\$12,227,684,428	\$12,234,696,491	(0.1)

Transaction Privilege and Severance Tax Returned to Counties

Taxpayers reported the following taxable transactions and tax collections by county. The share of the revenues returned to each county for October 2001 is shown in the County Share column.

	Dist. Base Collections	County Share	% of Total	FYTD County Share	% Chg
Apache	\$248,543	305,280	0.8	\$1,254,954	(28.6)
Cochise	1,369,313	702,220	1.8	2,899,118	(6.5)
Coconino	2,911,339	1,147,770	2.9	4,893,331	(2.2)
Gila	717,081	329,505	0.8	1,374,371	(2.4)
Graham	318,811	185,968	0.5	774,232	(3.7)
Greenlee	218,223	146,297	0.4	641,846	(43.0)
La Paz	200,900	112,051	0.3	466,556	(1.2)
Maricopa	66,379,457	25,501,070	64.5	104,094,167	0.9
Mohave	2,328,877	1,026,882	2.6	4,247,804	(3.1)
Navajo	1,577,114	667,582	1.7	2,735,443	0.0
Pima	14,300,351	5,905,016	14.9	24,534,747	(4.2)
Pinal	1,567,557	970,140	2.5	4,006,256	(3.7)
Santa Cruz	540,218	247,152	0.6	1,036,415	(1.4)
Yavapai	2,950,978	1,312,035	3.3	5,404,859	(3.5)
Yuma	1,956,921	972,992	2.5	3,870,842	7.0
Total	\$97,585,683	\$39,531,960		\$162,234,942	(1.1)

Transaction Privilege and Severance Tax Returned to Cities/Towns

The portion of transaction privilege and severance tax returned to each incorporated city or town for October 2001 is shown on Table 3, attached to this report.

County Tax Collections

The following county-imposed tax collections were received by the Department of Revenue during October+2001 and returned to the counties. County taxes in all but Coconino County are imposed at 10% of the state transaction privilege tax rate. Coconino's Excise Tax is 10% of the state rate, and its Jail Tax is 6% of the state rate. The stadium tax was imposed at 5% of the state rate. This rate completed its run in December 1997. Collections received now should be for prior periods. The rental car surcharge in Maricopa County is \$2.50 per car and in Pima County is \$3.50 per car. The RV Surcharge is \$0.50/day on each lease or rental of a parking space for recreational vehicles.

	Road Tax	Excise Tax	Jail Tax	Rental Car Surcharge	Stadium Tax	RV Surcharge	Hospital Tax	Capitol Projects	Tourism Authority
Apache		\$89,205							
Cochise		\$397,877							
Coconino		\$810,231	\$484,527						
Gila	\$237,903	\$232,011					\$0		
Graham		\$98,836							
Greenlee		\$57,851							
La Paz		\$58,881	\$58,898						
Maricopa	\$21,174,681		\$7,747,793	\$356,018	\$13,808				\$809,407
Mohave		\$345,605							
Navajo		\$458,278							
Pima				\$91,328		\$7,951			
Pinal	\$549,717	\$529,204							
Santa Cruz		\$157,295							
Yavapai		\$891,752	\$354,699						
Yuma		\$581,651	\$574,073					\$567,899	

OTHER TAXES

Luxury Taxes

The following revenues were received from luxury taxes in October 2001. The table compares the receipts to October 2000 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

	October 2001	October 2000	% Change
Spirituous	\$1,405,419	\$1,449,347	(3.0)
Vinous	629,626	710,020	(11.3)
Malt	1,810,787	1,727,953	4.8
Cigarette	10,353,735	11,740,999	(11.8)
Other Tobacco	255,715	306,919	(16.7)
Tobacco Licenses	150	325	(53.8)
Total	\$14,455,432	\$15,935,562	(9.3)

	Fiscal Year Total (01/02)	Fiscal Year Total (00/01)	% Change
Spirituous	\$6,069,462	\$6,087,430	(0.3)
Vinous	2,219,402	2,294,326	(3.3)
Malt	7,239,627	7,296,846	(0.8)
Cigarette*	51,230,082	51,324,750	(0.2)
Other Tobacco	1,203,372	1,085,377	10.9
Tobacco Licenses	1,400	4,625	(69.7)
Total	\$67,963,345	\$68,093,354	(0.2)

*Through October 2001, \$393,800 of Cigarette and Tobacco tax collections has been allocated for administrative expenses and is not reflected in fiscal year collections.

General Fund revenues from luxury taxes:

	October 2001	FY (01/02)
Spirituous	\$983,793	\$4,248,624
Vinous	157,104	553,551
Malt	452,697	1,809,906
Cigarette	2,760,603	14,224,181
Other Tobacco	39,636	186,523
Tobacco Licenses	150	1,400
Total	\$4,393,983	\$21,024,185

Other dedicated revenues from luxury taxes:

	October 2001	FY (01/02)
Correction Fund revenues	\$1,885,411	\$7,905,368
Health Care Fund revenues	\$7,424,485	\$36,058,192
Wine Promotional Fund revenues	\$1,211	\$5,195
Drug Treatment & Education Fund revenues	\$537,436	\$2,126,552
Corrections Revolving Fund revenues	\$212,907	\$843,852

Estate Tax

	October 2001	\$13,675,994	Fiscal year To Date	\$32,573,710
	October 2000	<u>\$5,683,045</u>	Fiscal year To Date	<u>\$24,104,878</u>
% Change		140.7%	% Change	35.1%

Private Car

	October 2001	\$1,417,130	Fiscal year To Date	\$1,417,130
	October 2000	<u>\$1,190,162</u>	Fiscal year To Date	<u>\$1,191,481</u>
% Change		19.1%	% Change	18.9%

Bingo

	October 2001	\$76,582	Fiscal year To Date	\$220,914
	October 2000	<u>\$63,116</u>	Fiscal year To Date	<u>\$214,384</u>
% Change		21.3%	% Change	3.1%

Unclaimed Property

	October 2001	\$6,339,587	Fiscal year To Date	\$7,099,736
	October 2000	<u>\$3,825,575</u>	Fiscal year To Date	<u>\$5,007,575</u>
% Change		65.7%	% Change	41.8%

Please note that some totals throughout Tax Facts may not add due to rounding.

SOURCE: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS, ARIZONA DEPARTMENT OF REVENUE

TABLE 1
“New” Returns Filed in 2001 for Tax Year 2000
Through October 2001

Federal Adjusted Gross Income Bracket	Number of Returns	% of Total	Average FAGI	Average Tax Due	CHARACTERISTICS OF TAXPAYERS					
					% Married Joint	% Single	% Unmarried Head	% Married Separate	% Over 65	% With Dependents
Negative FAGI	1,409	0.6%	-\$27,070	\$1	21.5%	69.0%	5.4%	4.0%	15.5%	11.8%
\$0-\$5,000	53,928	22.6%	\$2,729	\$1	3.0%	87.5%	8.5%	0.9%	2.6%	11.6%
\$5,000-\$10,000	52,039	21.8%	\$7,370	\$31	6.6%	72.7%	19.2%	1.5%	5.7%	25.8%
\$10,000-\$15,000	35,858	15.0%	\$12,372	\$97	13.9%	54.5%	29.6%	2.0%	9.1%	39.6%
\$15,000-\$20,000	26,315	11.0%	\$17,324	\$179	21.6%	45.7%	29.8%	2.8%	10.3%	43.1%
\$20,000-\$25,000	17,144	7.2%	\$22,336	\$299	24.8%	43.7%	27.7%	3.8%	8.6%	43.9%
\$25,000-\$30,000	11,566	4.8%	\$27,348	\$428	28.7%	43.7%	22.9%	4.8%	8.2%	41.8%
\$30,000-\$40,000	14,130	5.9%	\$34,488	\$598	36.8%	39.7%	19.0%	4.5%	8.9%	41.7%
\$40,000-\$50,000	8,254	3.5%	\$44,613	\$826	48.1%	34.0%	14.5%	3.3%	11.4%	43.1%
\$50,000-\$75,000	10,333	4.3%	\$60,299	\$1,210	62.2%	25.4%	10.0%	2.5%	13.9%	43.7%
\$75,000-\$100,000	3,793	1.6%	\$85,507	\$1,900	71.2%	19.2%	7.5%	2.1%	15.9%	43.9%
\$100,000-\$200,000	2,938	1.2%	\$132,492	\$3,541	71.1%	21.0%	5.7%	2.2%	19.0%	40.3%
\$200,000-\$500,000	660	0.3%	\$286,956	\$9,914	65.9%	24.6%	6.6%	3.0%	19.8%	36.2%
\$500,000-\$1,000,000	114	0.0%	\$666,612	\$39,240	62.6%	26.1%	7.0%	4.3%	30.4%	29.6%
\$1,000,000 and over	60	0.0%	\$2,310,839	\$112,753	50.8%	37.7%	6.6%	4.9%	32.8%	27.9%
Total	238,541		\$19,651	\$348	18.8%	59.7%	19.3%	2.2%	7.5%	31.4%

NEW RETURNS FILED IN 2000 FOR TAX YEAR 1999

Total	223,341		\$18,902	\$336	18.9%	60.2%	18.5%	2.4%	7.5%	30.2%
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“NEW” Returns means that there was no return filed by the taxpayer in the previous filing year. This may or may not mean the filer is new to the state.

TABLE 2
Urban Revenue Sharing Returned to Cities/Towns
October 2001

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Scottsdale	\$1,762,689	202,705
Eagar	\$35,070	4,033	Surprise	268,249	30,848
Springerville	17,148	1,972	Tempe	1,379,377	158,625
St. Johns	28,427	3,269	Tolleson	43,253	4,974
<u>Cochise County</u>			Wickenburg	44,192	5,082
Benson	40,966	4,711	Youngtown	26,174	3,010
Bisbee	52,958	6,090	<u>Mohave County</u>		
Douglas	124,455	14,312	Bullhead City	293,650	33,769
Huachuca City	15,226	1,751	Colorado City	28,992	3,334
Sierra Vista	328,485	37,775	Kingman	174,517	20,069
Tombstone	13,079	1,504	Lake Havasu City	364,686	41,938
Willcox	32,462	3,733	<u>Navajo County</u>		
<u>Coconino County</u>			Holbrook	42,757	4,917
Flagstaff	459,957	52,894	Pinetop-Lakeside	31,148	3,582
Fredonia	9,009	1,036	Show Low	66,914	7,695
Page	59,210	6,809	Snowflake	38,783	4,460
Williams	24,714	2,842	Taylor	27,618	3,176
<u>Gila County</u>			Winslow	82,784	9,520
Globe	65,097	7,486	<u>Pima County</u>		
Hayden	7,757	892	Marana	117,881	13,556
Miami	16,835	1,936	Oro Valley	258,266	29,700
Payson	118,437	13,620	Sahuarita	28,192	3,242
Winkelman	3,852	443	South Tucson	47,740	5,490
<u>Graham County</u>			Tucson	4,232,254	486,699
Pima	17,296	1,989	<u>Pinal County</u>		
Safford	80,280	9,232	Apache Junction	276,649	31,814
Thatcher	34,975	4,022	Casa Grande	219,344	25,224
<u>Greenlee County</u>			Coolidge	67,706	7,786
Clifton	22,574	2,596	Eloy	90,219	10,375
Duncan	7,061	812	Florence	148,299	17,054
<u>La Paz County</u>			Kearny	19,557	2,249
Parker	27,305	3,140	Mammoth	15,322	1,762
Quartzsite	29,166	3,354	Superior	28,296	3,254
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	312,033	35,883	Nogales	181,552	20,878
Buckeye	56,845	6,537	Patagonia	7,661	881
Carefree	25,453	2,927	<u>Yavapai County</u>		
Cave Creek	32,418	3,728	Camp Verde	82,184	9,451
Chandler	1,535,519	176,581	Chino Valley	68,132	7,835
El Mirage	44,105	7,609	Clarkdale	29,757	3,422
Fountain Hills	175,960	20,235	Cottonwood	79,819	9,179
Gila Bend	17,218	1,980	Jerome	2,861	329
Gilbert	953,907	109,697	Prescott	295,119	33,938
Glendale	1,902,753	218,812	Prescott Valley	204,656	23,535
Goodyear	164,447	18,911	Sedona	88,628	10,192
Guadalupe	45,462	5,228	<u>Yuma County</u>		
Litchfield Park	33,131	3,810	San Luis	133,238	15,322
Mesa	3,446,811	396,375	Somerton	63,184	7,266
Paradise Valley	118,820	13,664	Wellton	15,905	1,829
Peoria	942,315	108,364	Yuma	674,058	77,515
Phoenix	11,487,589	1,321,045			
Queen Creek	37,531	4,316	TOTAL	\$35,156,381	4,045,436

TABLE 3
Transaction Privilege and Severance Tax Returned to Cities/Towns
October 2001

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Scottsdale	\$1,222,434	202,705
Eagar	\$24,321	4,033	Surprise	186,032	30,848
Springerville	11,892	1,972	Tempe	956,604	158,625
St. Johns	19,714	3,269	Tolleson	29,996	4,974
<u>Cochise County</u>			Wickenburg	30,648	5,082
Benson	28,410	4,711	Youngtown	18,152	3,010
Bisbee	36,726	6,090	<u>Mohave County</u>		
Douglas	86,310	14,312	Bullhead City	203,647	33,769
Huachuca City	10,560	1,751	Colorado City	20,106	3,334
Sierra Vista	227,806	37,775	Kingman	121,028	20,069
Tombstone	9,070	1,504	Lake Havasu City	252,911	41,938
Willcox	22,512	3,733	<u>Navajo County</u>		
<u>Coconino County</u>			Holbrook	29,652	4,917
Flagstaff	318,983	52,894	Pinetop/Lakeside	21,602	3,582
Fredonia	6,248	1,036	Show Low	46,405	7,695
Page	41,062	6,809	Snowflake	26,896	4,460
Williams	17,139	2,842	Taylor	19,153	3,176
<u>Gila County</u>			Winslow	57,411	9,520
Globe	45,145	7,486	<u>Pima County</u>		
Hayden	5,379	892	Marana	81,751	13,556
Miami	11,675	1,936	Oro Valley	179,109	29,700
Payson	82,137	13,620	Sahuarita	19,551	3,242
Winkelman	2,672	443	South Tucson	33,108	5,490
<u>Graham County</u>			Tucson	2,935,089	486,699
Pima	11,995	1,989	<u>Pinal County</u>		
Safford	55,675	9,232	Apache Junction	191,858	31,814
Thatcher	24,255	4,022	Casa Grande	152,116	25,224
<u>Greenlee County</u>			Coolidge	46,954	7,786
Clifton	15,655	2,596	Eloy	62,568	10,375
Duncan	4,897	812	Florence	102,846	17,054
<u>La Paz County</u>			Kearny	13,563	2,249
Parker	18,936	3,140	Mammoth	10,626	1,762
Quartzsite	20,227	3,354	Superior	19,624	3,254
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	216,396	35,883	Nogales	125,907	20,878
Buckeye	39,422	6,537	Patagonia	5,313	881
Carefree	17,652	2,927	<u>Yavapai County</u>		
Cave Creek	22,482	3,728	Camp Verde	56,995	9,451
Chandler	1,064,890	176,581	Chino Valley	47,250	7,835
El Mirage	45,887	7,609	Clarkdale	20,637	3,422
Fountain Hills	122,029	20,235	Cottonwood	55,355	9,179
Gila Bend	11,941	1,980	Jerome	1,984	329
Gilbert	661,539	109,697	Prescott	204,667	33,938
Glendale	1,319,568	218,812	Prescott Valley	141,930	23,535
Goodyear	114,045	18,911	Sedona	61,464	10,192
Guadalupe	31,528	5,228	<u>Yuma County</u>		
Litchfield Park	22,977	3,810	San Luis	92,401	15,322
Mesa	2,390,381	396,375	Somerton	43,818	7,266
Paradise Valley	82,402	13,664	Wellton	11,030	1,829
Peoria	653,500	108,364	Yuma	467,462	77,515
Phoenix	7,966,699	1,321,045	TOTAL	\$24,396,421	4,045,436
Queen Creek	26,028	4,316			

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